

AMENDED IN ASSEMBLY JUNE 21, 2006

AMENDED IN SENATE MAY 17, 2006

AMENDED IN SENATE APRIL 17, 2006

AMENDED IN SENATE APRIL 6, 2006

SENATE BILL

No. 1374

Introduced by Senator Cedillo

February 21, 2006

An act to amend Section 19551.1 of the Revenue and Taxation Code, relating to tax administration.

LEGISLATIVE COUNSEL'S DIGEST

SB 1374, as amended, Cedillo. Tax administration: taxpayer information: disclosure.

Existing law authorizes the Franchise Tax Board, until December 31, 2008, to disclose to tax officials of any city, subject to certain specified requirements, a taxpayer's name, address, social security or taxpayer identification number, and business activity code, as provided, but limits the use of that information to employees of the taxing authority of a city.

Existing law specifies that a person that makes an unauthorized disclosure of this information or that makes an unauthorized inspection of this information is guilty of a misdemeanor.

This bill would extend, until December 31, ~~2010~~ 2011, the Franchise Tax Board's authorization to disclose this information.

By extending the repeal date of an existing crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19551.1 of the Revenue and Taxation
2 Code is amended to read:
3 19551.1. (a) The Franchise Tax Board may permit the tax
4 officials of any city to obtain tax information pursuant to
5 subdivision (a) of Section 19551.
6 (b) The information furnished to tax officials of a city under
7 this section shall be limited as follows:
8 (1) When requested pursuant to a written agreement, the
9 taxing authority of a city may be granted tax information only
10 with respect to taxpayers with an address as reflected on the
11 Franchise Tax Board's records within the jurisdictional
12 boundaries of the city who report income from a trade or
13 business to the Franchise Tax Board.
14 (2) The tax information that may be provided by the Franchise
15 Tax Board to a city is limited to a taxpayer's name, address,
16 social security or taxpayer identification number, and business
17 activity code.
18 (3) Tax information provided to the taxing authority of a city
19 may not be furnished to, or used by, any person other than an
20 employee of that taxing authority.
21 (4) Section 19542 applies to this section.
22 (5) Section 19542.1 applies to this section.
23 (c) The Franchise Tax Board may not provide any information
24 pursuant to this section until all of the following have occurred:
25 (1) An agreement has been executed between a city and the
26 Franchise Tax Board, that provides that an amount equal to all
27 first year costs necessary to furnish the city information pursuant
28 to this section shall be received by the Franchise Tax Board
29 before the Franchise Tax Board incurs any costs associated with
30 the activity permitted by this section. For purposes of this
31 section, first year costs include costs associated with, but not

1 limited to, the purchasing of equipment, the development of
2 processes, and labor.

3 (2) An agreement has been executed between a city and the
4 Franchise Tax Board, that provides that the annual costs incurred
5 by the Franchise Tax Board, as a result of the activity permitted
6 by this section, shall be reimbursed by the city to the board.

7 (3) Pursuant to the agreement described in paragraph (1), the
8 Franchise Tax Board has received an amount equal to the first
9 year costs.

10 (d) This section does not invalidate any other law. This section
11 does not preclude any city or city and county from obtaining
12 information about individual taxpayers, including those taxpayers
13 exempt from this section, by any other means permitted by state
14 or federal law.

15 (e) This section shall remain in effect only until December 31,
16 ~~2010~~ 2011, and as of that date is repealed.

17 (f) Nothing in this section shall be construed to affect any
18 obligations, rights, or remedies regarding personal information
19 provided under state or federal law.

20 SEC. 2. No reimbursement is required by this act pursuant to
21 Section 6 of Article XIII B of the California Constitution because
22 the only costs that may be incurred by a local agency or school
23 district will be incurred because this act creates a new crime or
24 infraction, eliminates a crime or infraction, or changes the
25 penalty for a crime or infraction, within the meaning of Section
26 17556 of the Government Code, or changes the definition of a
27 crime within the meaning of Section 6 of Article XIII B of the
28 California Constitution.